ESTIMATED BUDGET EFFECTS OF THE REVENUE PROVISIONS CONTAINED IN THE PRESIDENT'S FISCAL YEAR 2001 BUDGET PROPOSAL

Fiscal Years 2000 - 2010

[Millions of Dollars]

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
I. PROVISIONS REDUCING REVENUES														
A. Education Provisions														
 Expand the Lifetime Learning credit; in lieu of LLC, 														
allow election to take an above-the-line deduction for														
qualified tuition and related expenses up to \$10,000														
(\$5,000 in 2001 and 2002), phased out ratably														
\$50,000 to \$60,000 (\$100,000 to \$120,000 for joint														
returns)	. qtarepo/a 1/1/01		-426	-2,208	-2,584	-2,935	-3,281	-3,605	-3,746	-4,035	-4,348	-4,757	-11,436	-31,926
Extend authority to issue qualified zone academy														
bonds and expand to include authority to issue														
qualified school modernization bonds	. bio/a 1/1/01		-19	-101	-269	-533	-821	-988	-1,025	-1,025	-1,025	-1,025	-1,743	-6,829
Expand exclusion for employer-provided educational														
assistance	. [1]	-65	-243	-96									-404	-404
Eliminate 60-month limit on student loan interest														
deduction	ipoqela 12/31/00		-19	-78	-83	-91	-98	-100	-105	-109	-112	-115	-369	-911
5. Eliminate tax on forgiveness of direct student loans														
subject to certain income contingent repayment	lca 12/31/00						No F	Revenue E	:ffect					
Tax treatment of education awards under certain														
Federal programs:														
a. Eliminate tax on awards under National Health														
Corps Scholarship Program and F. Edward Hebert Armed Forces Health Professions														
Scholarship and Financial Assistance Program	eara 12/31/00		4	4	-1	[0]	[0]	4	4	4	4	4	-3	-7
b. Eliminate tax on repayment or cancellation of	eara 12/31/00		-1	-1	-1	[2]	[2]	-1	-1	-1	-1	-1	-3	-/
student loans under NHSC Scholarship Program,														
Americorps Education Award Program, and														
Armed Forces Health Professions Loan														
Repayment Program	. rocoslra 12/31/00		-3	-6	-6	-6	-6	-6	-6	-7	-7	-7	-27	-60
B. Provisions for Poverty Relief and Community	. 10003114 12/31/00		-3	-0	-0	-0	-0	-0	-0	-1	-1	-1	-21	-00
Revitalization														
Expand and simplify the EIC (estimate includes														
outlay effects)	. tyba 12/31/99	-24	-2.423	-2.456	-2.457	-2.493	-2,561	-2,615	-2.690	-2,750	-2,723	-2,727	-12,413	-25,917
Increase low-income housing tax credit per capita	. 1,50 12/01/00		2, .20	2, .00	2,	2, .00	_,00.	_,0.0	_,000	2,.00	2,: 20	_,	,	20,0
cap to \$1.75 for 2001; index for inflation thereafter	cyba 12/31/00		-16	-79	-192	-331	-486	-656	-841	-1,042	-1,259	-1,491	-1,103	-6,391
Provide new markets tax credit			-29	-183	-417	-628	-818	-867	-716	-475	-258	-64	-2,076	-4,456
4. Extend and expand wage credit for 10 new	,												,	,
empowerment zones	. 1/1/01		-166	-390	-473	-475	-536	-582	-586	-601	-766	-143	-2,040	-4,718
5. Tax credits for contributions to qualified zone													•	•
academies and technology centers	cspma 12/31/00		-33	-96	-88	-67	-46	-14	-1	-1	[2]	[2]	-331	-347
6. Enhanced deduction for corporate donations of	cma 12/31/00 &													
computers	cmb 7/1/04		-43	-83	-88	-70	-26	-1					-310	-311
7. Tax credit for employer-provided workplace literacy														
and basic education programs	. tyba 12/31/00		-8	-45	-64	-93	-137	-172	-172	-173	-174	-175	-348	-1,215

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
Authorize issuance of tax credit for "Better America														
Bonds"	bio/a 1/1/01		-3	-17	-47	-103	-181	-262	-334	-387	-415	-420	-351	-2,169
Make permanent the expensing of Brownfields remediation costs			13	-28	-89	-112	-116	-119	-120	-117	-114	-112	-332	-914
10. Specialized small business investment company														
tax incentives	sa & tybo/a DOE		[2]	[2]	-1	-1	-1	-1	-2	-2	-2	-2	-3	-12
C. Health Care Provisions														
Long-term care tax credit (estimate includes outlay														
effects)	tyba 12/31/00		-142	-1,502	-2,314	-3,064	-3,768	-4,319	-4,303	-4,278	-4,226	-4,119	-10,790	-32,035
COBRA continuation coverage:														
a. Tax credit for COBRA health insurance premiums:														
Tax credit	. tyba 12/31/01			-196	-1,319	-1,385	-1,418	-1,451	-1,481	-1,506	-1,527	-1,551	-4,318	-11,834
Indirect tax effects	tyba 12/31/01			-9	-23	-28	-29	-29	-30	-30	-31	-32	-89	-242
Total revenue effect				-206	-1,342	-1,413	-1,447	-1,480	-1,511	-1,536	-1,558	-1,582	-4,407	-12,075
b. COBRA coverage and tax credit for retirees who					,- :=	, =	,	,	,=	,	,	,	,	,
lose retiree health benefits [3]:														
1. Tax credit	. tyba 12/31/01			-6	-40	-45	-50	-56	-62	-68	-75	-83	-142	-486
Indirect tax effects	•			-9	-14	-16	-18	-20	-22	-24	-26	-29	-57	-177
Total revenue effect				-15	-55	-61	-68	-75	-83	-92	-101	-112	-199	-663
Provide tax credit for Medicare buy-in program:	•			.0	00	01	00		00	02	101		100	000
a. Tax credit for Medicare buy-in premiums for														
workers age 55-61 who lose their jobs [3]	tyba 12/31/01			-3	-20	-39	-59	-79	-100	-118	-131	-145	-120	-694
b. Tax credit for Medicare buy-in premiums for	tyba 12/31/01			-3	-20	-00	-00	-13	-100	-110	-101	-140	-120	-03-
individuals age 62-64 [3]	tyba 12/31/01			-74	-511	-620	-759	-921	-1,032	-1,121	-1,227	-1,404	-1,964	-7,669
4. Tax credit for workers with disabilities			-21	-74 -141	-160	-171	-180	-183	-1,032	-1,121	-1,22 <i>1</i> -194	-1,404	-1,904	-1,631
Tax credit for workers with disabilities Tax relief for small business health plans			-21 -6	-141	-160 -25	-171	-100	-163 -42	-167 -45	-169 -49	-194 -40	-206 -25	-672 -118	-1,631 -319
· · · · · · · · · · · · · · · · · · ·	[4]		-6	-17	-25	-32	-37	-42	-45	-49	-40	-25	-118	-319
6. Tax credit for the development of vaccines for	(E)							40	04	405	205	400		4 000
targeted diseases	[5]							-49	-91	-165	-265	-430		-1,000
D. Family and Work Incentive Provisions														
Provide marriage penalty relief and increase the			405	705	4 400	0.057	5 7 00	7 4 40	7.074	7.404	7.440	7.000	40.400	40.700
standard deduction	tyba 12/31/00		-195	-765	-1,463	-2,057	-5,703	-7,143	-7,071	-7,491	-7,442	-7,399	-10,183	-46,729
Increase, expand, and simplify the dependent care														
credit (estimate includes outlay effects)	. [6]		-120	-410	-1,035	-2,520	-3,041	-3,911	-4,169	-4,492	-4,824	-5,109	-7,126	-29,631
Tax incentives for employer-provided child														
care facilities	tyba 12/31/00		-45	-94	-115	-131	-144	-158	-169	-178	-188	-196	-530	-1,420
E. Savings, Retirement Security, and Portability														
Provisions														
Retirement Savings Accounts	tyba 12/31/01			-964	-2,034	-2,182	-5,890	-9,801	-10,188	-10,292	-10,170	-9,963	-11,070	-61,484
Small business tax credit for qualified retirement														
plan contributions	tyba 12/31/01			-266	-1,090	-1,965	-2,539	-2,541	-2,324	-2,111	-1,986	-1,885	-5,860	-16,708
Small business tax credit for new retirement plan														
expense	[7]	[2]	-14	-36	-44	-48	-41	-37	-34	-33	-32	-32	-183	-350
Promote Individual Retirement Account														
contributions through payroll deduction	tyba 12/31/00		-4	-10	-2	-1	-1	-1	-1	-1	-1	-1	-18	-21
5. The "SMART" plan - a simplified pension plan for														
small business	. cyba 2000		-17	-71	-150	-206	-217	-213	-210	-206	-203	-199	-660	-1,691
6. Enhancements to simple 401(k) plan nonelective	·													
contribution alternative	pyba 12/31/00		-23	-55	-92	-144	-188	-214	-227	-227	-232	-244	-502	-1,647
7. Eliminate IRS user fees for initial determination														,-
letters for small businesses adopting a qualified														
retirement plan for the first time [8]	dlrma DOE		-2	-2	-2								-6	-6
			_	_	_								Ü	J

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
Simplify prohibited transaction provisions for loans														
to individuals who are S corporation owners or self-employed	lma 12/31/00		-6	-10	-11	-11	-12	-13	-14	-15	-15	-16	-50	-123
Provide faster vesting of employer contributions			Ü										-30	
to qualified retirement plans	pyba 12/31/00						0 0							
participation requirements	pyba 12/31/00						- Negligibi	le Revenu	e Effect					
limitation	tyba 12/31/00		-17	-32	-37	-40	-43	-46	-49	-52	-55	-58	-170	-430
Certain elective contributions not taken into account for purposes of deduction limits	tyba 12/31/00		-25	-47	-54	-59	-63	-67	-72	-76	-80	-85	-247	-627
Conform definition of compensation for purposes of deduction limits	tyba 12/31/00		-2	-4	-5	-5	-6	-6	-6	-7	-7	-8	-22	-56
 Improve benefits of nonhighly compensated 	·		_	16			20		-	-	-	-		
employees under section 401(k) safe harbor plans	pyba 12/31/00 pyba 12/31/00		-10	-16 	-18 	-19 	-20 - Negligibi	-21 le Revenu	-22 e Effect	-23 	-24 	-24	-82 	-196
16. Tax treatment of the division of section 457 plan benefits upon divorce	pma DOE						- Nealiaibi	le Revenu	e Effect					
17. Require joint and 75% survivor annuity option for	•													
pension plans	pyba 12/31/00						- ivegiigibi		e Ellect					
rollover to IRAs of involuntary distributions	[9] dma 12/31/00		-1 26	-13 -5	-25 -5	-30 -5	-32 -5	-34 -5	-36 -5	-37 -6	-39 -6	-40 -6	-100 6	-286 -22
20. Rollovers of after-tax contributions	da 12/31/00						_	le Revenu	-					
21. Rollovers of regular IRAs into workplace retirement plans	dma 12/31/00						- Negligibi	le Revenu	e Effect					
Facilitate the purchase of service credits in governmental defined benefit plans	tma 12/31/00							le Revenu						
23. Thrift Saving Plan portability proposals	tma 12/31/00		-13	-19	-20	-22	-23	-24	-26	-27	-29	-30	-97	-233
Permit accelerated funding of defined benefit plans Benefit limits for multiemployer plans under	tyba 12/31/00		-1	-8	-17	-21	-13	-4	-4	-4	-4	-4	-60	-79
section 415	lyba 12/31/00		-5	-7	-8	-8	-8	-8	-9	-9	-9	-9	-36	-80
Full funding limitation for multiemployer plans Increase disclosure for pension amendments that	yba 12/31/00		-6	-9	-8	-8	-6	-6	-6	-6	-6	-6	-38	-68
reduce the future rate of benefit accrual	patea DOE						- Negligibi	le Revenu	e Effect					
F. Individual Alternative Minimum Tax Provisions and Simplification Provisions														
Alternative minimum tax ("AMT") relief for individuals Simplify and increase the standard deduction for	tyba 12/31/99	-97	-491	-537	-1,073	-1,356	-1,831	-2,422	-2,989	-5,134	-9,034	-13,088	-5,385	-38,052
dependents	tyba 12/31/99	-2	-37	-25	-27	-38	-31	-32	-32	-32	-42	-34	-160	-332
3. Simplify definition of dependent	tyba 12/31/00		-66	-97	-102	-107	-112	-116	-122	-128	-134	-141	-484	-1,125
Index maximum exclusion for capital gains on sale of principal residence	tyba 12/31/00		[2]	-4	-8	-13	-19	-26	-35	-45	-58	-72	-44	-280
5. Tax credit to for electronic filing of individual income	•													
tax returns [8] [10] 6. Clarification of employment tax treatment of	rfi 2002 - 2007			-210	-214	-236	-256	-276	-286	-10			-916	-1,488
individuals in sheltered workshops	Sa 12/31/00		-2	-3	-3	-4	-4	-4	-4	-4	-4	-4	-17	-37
businesses	tyba 12/31/00		-275	-462	-307	-219	-252	-273	-307	-347	-378	-402	-1,515	-3,222
Provide optional Self-Employment Contributions Act ("SECA") computations	tyba 12/31/00		[11]	1	1	1	1	1	1	1	1	1	5	11

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
Clarify rules for certain disclaimers	Dma DOE						Nealiaih	ole Reveni	ıe Fffect -					
Simplify the foreign tax credit limitation for	Dilla DOL													
dividends from 10/50 companies	tyba 12/31/99		-306	-257	-215	-58	-32	-18	-11	-7	-4	[2]	-868	-908
11. Interest treatment for dividends paid by	tyba 12/01/00		000	201	210	00	02	10		,		[~]	000	300
certain regulated investment companies to foreign														
persons	mf tyba DOE		-33	-70	-74	-78	-81	-85	-90	-94	-99	-104	-336	-808
12. Expand declaratory judgment remedy for	IIII tyba DOL		00	70	7 -	70	01	00	50	34	33	104	000	000
non-charitable organizations seeking determinations														
of tax-exempt status	afroefa 12/31/00						Nealiait	le Reveni	ie Effect -					
13. Translation of foreign withholding taxes by accrual	allocia 12/01/00						riogngik	10 1 10 1011	io Enoci					
basis taxpayers	tyba DOE		[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]
14. Simplify penalties for failure to file Form 5500	pyba 12/31/01				['']					fication				ניין
15. Provide that a domestic corporation is entitled to	pyba 12/31/01					Tropo	isai Nequii	es Addillo	пат оресп	ication				
claim deemed-paid and direct foreign tax credits														
with respect to certain investments held indirectly by														
or through pass-through entities	dmi tyba DOE		[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]	[11]
16. Treat corporations in an affiliated group as a single	ullii tyba DOL		[11]	[''']	[''']	[11]	[11]	[11]	[11]	[''']	[,,]	[11]	[,,]	[,,]
corporation	Ta DOE						- Moaliait	do Povoni	o Effect -					
G. Philanthropy Provisions	Taboe						Iveyiigil	ne iveveiii	ie Lilect -					
Charitable contributions deduction for non-itemizers	tyba 12/31/00		-195	1 212	1 270	-1,429	-1,491	-1,769	-3,049	-3,183	-3,327	-3,480	-5,797	-20,605
			-195 -55	-1,312 -88	-1,370 -92	-1,429 -96	-1,491	-1,769	-3,049	-3,163 -114	-3,327 -119	-3,460 -125	-5,797 -431	-1,002
Simplify private foundation excise tax	tyba 12/31/00		-33	-00	-92	-90	-100	-104	-109	-114	-119	-125	-431	-1,002
Increase percentage limits on donations of	10/21/00		-23	-91	-79	-65	-49	-31	-17	-18	-19	-20	-307	-412
appreciated property			-23	-91	-79	-00	-49	-31	-17	-18	-19	-20	-307	-412
Clarify public charity status of donor advised	ebtoo/a DOE &						المالية ما الم	da Daviani	F#aa4					
funds	tyba fiotr						ivegiigit	ne Revent	ie Ellect -					
H. Energy Efficiency and Environmental Provisions														
Provide tax credit for energy-efficient building								_						
equipment	[12]		-17	-33	-48	-66	-29	-3	-1	[11]	1	1	-193	-194
Tax credit for purchase of energy-efficient														
new homes	[13]		-34	-235	-290	-283	-43	-37					-885	-922
Extend tax credit for electric vehicles and provide tax														
credit for certain fuel-efficient hybrid vehicles	[14]			-1	-216	-549	-832	-1,095	-204	161	105	71	-1,598	-2,561
Extend wind and biomass tax credit and expand														
eligible biomass sources			-32	-83	-129	-179	-235	-255	-260	-266	-273	-280	-658	-1,992
Tax credit for rooftop solar equipment	[16]		-21	-37	-45	-55	-71	-83	-103	-44	-5	-3	-229	-467
15-year depreciable life for distributed power														
property	ppisa DOE		2	4	5	5	5	5	4	3	1	[17]	21	34
I. Electricity Restructuring														
 Revise rules governing issuance of tax-exempt 														
bonds for electric facilities of public power entities	[18]					 Proposal 	l Cannot B	e Estimate	ed At This	Time [19]				
Modify treatment of contributions to nuclear														
decommissioning funds	tyba 12/31/00		[2]	-1	-3	-5	-7	-9	-11	-13	-15	-17	-16	-81
J. International Trade Provisions														
 Extend and modify Puerto Rico economic-activity 														
tax credit	tyba 12/31/99		-143	-135	-149	-163	-196	-816	-1,643	-1,850	-1,202	-46	-786	-6,343
K. Miscellaneous Provisions														
1. Exempt first \$2,000 of severance pay from income														
tax (through 12/31/03) [20]	spri tyba 12/31/00		-67	-170	-178	-110							-525	-525
Exempt Holocaust reparations from Federal income														
tax	aro/a 1/1/00	-3	-14	-17	-17	-12							-63	-63

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
II. PROVISIONS INCREASING REVENUES														
A. Corporate Tax Shelters														
 Five corporate tax shelter proposals with general 														
application	. too/a dofca [21]	105	360	432	456	487	501	517	536	553	575	592	2,340	5,114
Require accrual of time value element on forward														
sale of corporate stock	. fceio/a dofca	[11]	3	8	10	10	10	10	10	10	10	10	41	91
Modify treatment of ESOP as S corporation														
shareholder	. tybo/a dofca		16	33	37	40	43	45	45	44	42	40	169	386
Limit dividend treatment for payments on														
self-amortizing stock	. dma DOE		[22]	[22]	[22]	[22]	[22]	[22]	[22]	[22]	[22]	[22]	10	20
Prevent serial liquidations of U.S. subsidiaries of														
foreign corporations	latoo/a DOE		5	8	10	10	10	10	10	10	10	10	43	93
Prevent capital gains avoidance through basis shift														
transactions involving foreign shareholders	do/a dofca	[11]	80	55	50	45	40	35	37	40	43	46	270	471
7. Prevent mismatching of deductions and income														
inclusions in transactions with related foreign														
persons	. pao/a dofca	[11]	37	55	77	28	32	37	42	47	52	57	229	464
Prevent duplication or acceleration of loss through	1-/- 40/40/00		40	45	47	40	04	00	0.5	07	00	0.4	00	000
assumption of liabilities		8	13 15	15	17 37	19	21	23 43	25	27	29	31 51	93 167	228 402
9. Amend 80/20 company rules	iodpoa 30da DOE		15	35	31	39	41	43	45	47	49	51	167	402
Modify corporate-owned life insurance ("COLI") Tyles	tuba DOE		215	125	442	AEE	470	FOG	ESE	EG A	E02	620	2.026	4 0 4 2
rules 11. Increase depreciation life by service term of	tyba DOE		215	435	443	455	478	506	535	564	593	620	2,026	4,843
tax-exempt use property leases	. leia dofca		7	9	13	17	19	22	23	24	24	24	66	183
B. Financial Products	. IEIA UUICA		,	9	13	17	19	22	23	24	24	24	00	103
Require cash-method banks to accrue interest on														
short-term obligations	oao/a DOE		67	2	2	2	3	4	5	5	6	6	76	102
Require current accrual of market discount by	000/0000		0.	_	_	_	· ·	•	Ü	Ü	Ū	Ū		102
accrual method taxpayers	. diao/a DOE		15	12	10	8	7	5	5	6	6	7	52	81
Modify and clarify certain rules relating to	. 4140/4 202		10		10	· ·	•	· ·	Ü	Ů	Ū		02	0.
debt-for-debt exchanges	. eoo/a DOE		13	24	28	33	38	39	40	41	42	43	136	341
Modify and clarify straddle rules			5	21	22	23	24	25	26	27	28	29	95	230
5. Provide generalized rules for all income-stripping														
transactions	. isteia DOE		15	14	14	12	10	10	10	10	10	10	65	115
6. Require ordinary treatment for options dealers and														
commodities dealers	. tyba DOE	[11]	15	17	19	20	22	24	26	28	30	32	93	233
Prohibit tax deferral on contributions of appreciated														
property to swap funds	. Too/a DOE						 Negligibl 	e Revenue	e Effect					
C. Provisions Affecting Corporations and														
Pass-Through Entities														
 Conform control test for tax-free incorporations, 														
distributions, and reorganizations			16	17	17	18	18	19	19	20	20	20	86	184
Treat receipt of tracking stock as property	tsio/a DOE		59	90	99	109	120	132	145	160	176	193	477	1,284
Require consistent treatment and provide basis														
allocation rules for transfers of intangibles in certain	1-/- DOF		00	00	00	00	00	0.4	0.5	07	00	44	4.45	004
nonrecognition transactions	. to/a DOE		26	28	29	30	32	34	35	37	39	41	145	331
Modify tax treatment of certain reorganizations in which partfolio interests in stock disappear.	to/a DOE		29	ΕO	60	65	68	70	75	70	02	87	202	680
which portfolio interests in stock disappear 5. Clarify definition of nonqualified preferred stock			29 11	59 14	62 15	65 16	68 17	72 10	75 4	79 4	83 4	87 5	283 73	100
Clarify rules for payment of estimated taxes for	เบล นบเบล		1.1	14	15	10	17	10	4	4	4	5	13	100
certain deemed asset sales	toa dofca	50	50	5	5	5	5	5	5	5	5	5	120	145
ocitain deemed asset sales	ioa dolla	50	30	J	3	5	5	J	J	J	5	J	120	140

							2006		2008		2010	2000-05	2000-10
7. Modify treatment of transfers to creditors in divisive													
reorganizations	toa dofca	 5	10	10	10	11	11	11	12	12	12	46	104
8. Provide mandatory basis adjustments if partners													
have significant built-in loss in partnership property	datma DOE	 11	24	34	42	47	50	51	53	54	56	159	423
9. Modify treatment of closely-held REITs	tybo/a dofca	 3	10	10	11	11	12	12	13	14	14	45	110
Apply RIC excise tax to undistributed profits of													
REITs	cyba 12/31/00	 	1	1	1	1	1	1	1	1	1	4	9
 Allow RICs a dividends paid deduction for redemptions only if the redemption represents a 													
contraction in the RIC	tyba DOE	 114	457	453	447	440	432	423	411	399	384	1,911	3,960
12. Require REMICs to be secondarily liable for the tax	tyba DOE	 114	437	455	447	440	432	423	411	399	304	1,911	3,900
liability of REMIC residual interest holders	RaFca DOE	 3	8	14	19	25	32	38	45	52	60	69	296
13. Deny change in method treatment in tax-free	Nai Ca DOL	 3	O	14	19	23	32	30	40	32	00	03	290
transactions	ta DOE	 5	5	5	5	5	5	5	5	5	5	25	50
14. Deny deduction for punitive damages	dpoio/a DOE	 33	50	50	50	50	50	50	50	50	50	233	483
15. Repeal the lower-of-cost-or-market inventory	apo.o/a 202					00						200	.00
accounting method	tyba DOE	 572	723	437	218	82	9	23	39	54	68	2,032	2,225
16. Disallow interest on debt allocable to tax-exempt	,											,	,
obligations	[23]	 7	15	18	22	25	28	32	35	37	40	87	259
17. Capitalization of commissions by mutual fund													
distributors	cpoii tyea DOE	 37	142	119	94	69	42	22	23	24	26	461	598
D. Cost Recovery Provisions													
Provide consistent amortization periods for													
intangibles	[24]	 -77	-63	236	402	471	502	403	362	311	256	969	2,803
2. Establish specific class lives for utility grading costs	cia DOE	 21	44	67	82	93	103	114	119	119	116	307	878
Extend the present-law intangibles amortization	505	0.5	5 0		0.5		40	4.0	40	40	40	0.45	005
provisions to acquisitions of sports franchises	aoa DOE	 25	50	75	65	30	10	10	10	10	10	245	295
Insurance Provisions Require recapture of policyholder surplus accounts	tyba DOE	 57	149	248	470	698	277	14	-10	-10	-10	1,622	1,844
Modify rules for capitalizing policy acquisition costs	tyba DOE	 37	149	240	470	090	211	14	-10	-10	-10	1,022	1,044
of insurance companies	tyba DOE	 395	1,295	1,216	1,133	1,046	954	858	757	651	539	5,084	8,842
Increase the proration percentage for property	1,500 502	000	1,200	1,210	1,100	1,010	001	000	707	001	000	0,001	0,0 12
and casualty insurance companies	[25]	 22	46	65	84	106	130	154	180	207	235	323	1,228
4. Modify rules that apply to sales of life insurance	[1												-,
contracts	[26]	 8	17	30	39	44	47	50	53	57	60	140	407
5. Modify qualification rules for tax-exempt property													
and casualty insurance companies	[27]	 8	18	20	21	21	21	22	22	23	23	87	198
F. Tax-Exempt Organization Provisions													
Subject investment income of trade associations													
to tax	tybo/a DOE	 88	150	157	164	171	178	186	194	203	213	730	1,704
2. Penalty for failure to file Form 5227	[28]	 [11]	1	2	2	2	2	2	2	2	2	7	17
G. Estate and Gift Tax Provisions													
Restore phaseout of unified credit for large estates	dda DOE	 21	85	94	98	132	162	189	197	212	223	430	1,413
Require consistent valuation for estate and income	[00]	•	•	44	4.4	47	20	0.4	07	20	24	F0	405
tax purposes	[29]	 2	6	11	14	17	20	24	27	30	34	50	185
Require basis allocation for part-sale, part-gift transactions	teia DOE	 1	1	1	1	1	1	1	1	1	1	5	10
Eliminate the stepped-up basis in community	IGIA DOE	 '	'	'	'	1	'	'	1	1	'	3	10
property owned by surviving spouse	dda DOE	 15	31	46	61	76	84	92	102	112	123	229	742
Require that qualified terminable interest property	ddd DOL	 10	31	70	01	70	0-7	32	102	114	120	223	174
for which a marital deduction is allowed be													

Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
Eliminate non-business valuation discounts	tma DOE		161	670	695	724	735	780	838	877	941	997	2,985	7,418
Eliminate gift tax exemption for personal residence trusts	tita DOE					4	24	31	39	48	65	88	28	299
8. Eliminate the Crummey rule and modify														
requirements for annual exclusion gifts	ttta 12/31/00			9	10	12	14	15	17	19	21	22	45	139
H. Pension Provisions														
Increase elective withholding rate for nonperiodic														
distributions from deferred compensation plans	dma 12/31/01			55	2	2	2	2	2	2	2	2	60	69
Increase section 4973 excise tax on excess IRA				_										
contributions	tyba 12/31/00		[11]	9	10	10	11	11	12	12	13	14	39	101
3. Impose limitation on prefunding of welfare benefits	cpoaa dofca	172	144	150	146	136	125	113	99	84	67	49	873	1,284
4. Subject signing bonuses to employment taxes	sbpa DOE		7	5	5	5	5	5	6	6	6	6	27	56
5. Clarify employment tax treatment of choreworkers	40/04/00					Duama	a a l. Da au iliu		- 1 C:fi					
employed by State welfare agencies	wpa 12/31/00					Propos	sal Require	es Addition	іаі Ѕресііі	cation				
6. Prohibit IRAs from investing in foreign sales	aaFaa/a dafaa	2	10	25	27	29	31	33	35	37	39	42	126	312
corporations	aoFso/a dofca	2	12	25	21	29	31	33	35	31	39	42	126	312
Compliance Provisions Modify the substantial understatement penalty for														
large corporations	tyba DOE					5	10	10	10	10	10	10	15	65
Repeal exemption for withholding on certain	tyba DOL					3	10	10	10	10	10	10	13	03
gambling winnings	[30]		24	2	2	2	2	2	2	2	2	2	31	42
Require information reporting for private separate	[50]		27	2		2	2	2	2	2	2	2	31	72
accounts	tyba DOE						- Negligibi	e Revenu	e Effect					
Increase penalties for failure to file correct	tyba DOL						riogngioi	0 1 10 10 11 11	J Liloot					
information returns	[31]		1	4	10	14	18	18	17	15	14	12	47	123
J. Miscellaneous Revenue-Increasing Provisions	[01]			•	10	• • •	10	10					• • • • • • • • • • • • • • • • • • • •	120
Modify deposit requirement for Federal														
Unemployment Tax Act ("FUTA") [8]	mba 12/31/04						1,367	-837	-436	-44	160	-15	1,367	195
2. Reinstate Oil Spill Liability Trust Fund excise tax							,						,	
and increase trust fund ceiling to \$5 billion (through														
9/30/10)	10/1/01			247	253	259	263	267	271	272	273	274	1,022	2,379
3. Repeal percentage depletion for non-fuel minerals														
mined on Federal and formerly Federal lands	tyba DOE	36	72	73	75	76	78	79	81	83	84	86	410	823
4. Impose excise tax on purchase of structured														
settlements	poa DOE		4	4	3	1	-1	-2	-3	-3	-4	-4	12	-5
Require taxpayers to include rental income of														
residence in income without regard to period of														
rental	tyba 12/31/00		5	17	17	18	18	19	20	20	21	22	75	177
Eliminate installment payment of heavy vehicle use					_	_	_	_	_	_		_		
tax [32]	tyba 6/30/02			298	7	7	8	8	8	9	[2]	9	320	353
7. Require recognition of gain from the sale of a														
principal residence if acquired in a like-kind	DOF		7	0	9	40	44	40	40	4.4	4.5	40	45	445
exchange within 5 years of the sale	soproa DOE		/	8	9	10	11	12	13	14	15	16	45	115
Require reporting of payments to, and restrict tax														
benefits for income flowing through, identified tax														
havens	[33]		20	20	20	20	20	20	20	20	20	20	100	200
Modify treatment of built-in losses and other attribute	[00]		20	20	20	20	20	20	20	20	20	20	100	200
trafficking	teio/a DOE		72	97	109	119	127	138	152	164	179	201	524	1,358
3. Simplify taxation of property that no longer produces				0.	.00			.00	.02			_0.	021	.,000
income effectively connected with a U.S. trade or														
business	[34]						- Moaligib	o Povonu	Effect -					

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Provision	Effective	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2000-05	2000-10
4. Impose mark-to-market tax on individuals who	ion/o dof	[4.41	400	400	400	400	400	400	400	400	400	400	500	1.000
expatriate [35]	ieo/a dofca	[11]	100	100	100	100	100	100	100	100	100	100	500	1,000
include more foreign-source income	tyba DOE		2	4	5	7	8	9	10	10	10	10	26	75
Limit basis step-up for imported pensions	doo/a DOE		5	10	11	12	12	13	14	15	15	16	50	123
7. Replace sales-source rules with activity-based	000/0 DOL		Ü	10	• • •								00	120
rules	tyba DOE		790	1,617	1,703	1,805	1,913	2,026	2,147	2,273	2,407	2,569	7,828	19,250
8. Modify rules relating to foreign oil and gas extraction	•													
income	tyba DOE		216	223	230	237	245	253	261	269	277	286	1,151	2,497
Recapture overall foreign losses when controlled														
foreign corporation stock is disposed	DOE		1	2	3	5	7	8	9	10	10	11	18	66
Modify foreign office material participation exception														
applicable to certain inventory sales L. Other Provisions Requiring Amendment of the Internal Revenue Code	too/a DOE		1	3	6	7	8	9	10	11	12	13	25	80
Hazardous Substance Superfund Taxes:														
 Reinstate environmental tax imposed on corporate taxable income and deposited in the 														
Hazardous Substance Superfundb. Reinstate excise taxes deposited in the	[36]	191	832	642	638	640	657	686	721	758	789	815	3,600	7,369
Hazardous Substance Superfund	[37]	246	706	702	717	734	746	757	768	774	776	780	3,853	7,708
user fees (Administration's estimate) [38]	10/1/01		724	1,399	1,500	1.522	1.522	1,170	797	385			6.667	9.019
3. Increase excise taxes on tobacco products [39]	10/1/00		4.394	3,816	3.561	12.883	12,659	11.038	10,949	11.043	10.887	10.675	37,313	91.905
Repeal harbor maintenance excise tax and	10/1/00		1,001	0,010	0,001	12,000	12,000	11,000	10,010	11,010	10,001	10,010	01,010	01,000
authorize imposition of cost-based harbor services user fee [8] [40]	DOE		-475	-509	-546	-585	-627	-671	-720	-772	-827	-886	-2,742	-6,618
5. Accelerate rum excise tax coverover payments to														
Puerto Rico and the U.S. Virgin Islands [8]	[41]	-51	51											
Restore Premiums for United Mine Workers of														
American benefit fund [8]			10	9	8	8	8	8	7	6	6	5	43	74
SUBTOTAL: PROVISIONS INCREASING REVENUE		759	10,336	14,378	14,231	23,878	25,363	20,924	20,770	21,024	20,900	20,751	88,946	193,273
NET TOTAL (includes outlay effects)		568	4,459	-153	-7,923	-4,057	-13,729	-27,914	-30,837	-33,666	-38,003	-41,368	-20,834	-192,661
BREAKOUT OF FISCAL YEAR OUTLAY EFFECTS:														
I.B.1. Expand and simplify the EIC		21	2,105	2,155	2,130	2,146	2,193	2,233	2,281	2,308	2,261	2,272	10,750	22,106
I.C.1. Long-term care tax credit			14	150	231	306	377	432	430	428	423	412	1,079	3,204
I.D.2. Increase, expand, and simplify the dependent care credit					780	1,657	1,996	2,507	2,735	3,047	3,375	3,662	4,433	19,759

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Enactment date is assumed to be September 15, 2000.

[Legend and Footnotes for JCX-20-00 appear on the following page]

Legend and Footnotes for JCX-20-00:

Legend for "Effective" column:

afroefa = applications for recognition of exemption filed after

aro/a = amounts received on or after aoa = acquisitions occurring after

aoFso/a = acquisition of FSC stock on or after

aolo/a = assumptions of liabilities on or after

bio/a = bonds issued on or after

ccma = charitable contributions made after

cia = costs incurred after

cma = contributions made after

cmb = contributions made before

co/a = cancellations on or after

cpoaa = contributions paid or accrued after

cpoii = commissions paid or incurred in

cspma = corporate sponsorship payments made after

cyba = calendar years beginning after

da = distributions after

datma = distributions and transfers made after

dda = decedents dying after

diao/a = debt instruments acquired on or after

dlrma = determination letter requests made after

dma = distributions made after

Dma = disclaimers made after

dmi = distributions made in

do/a = distributions on or after

DOE = date of enactment

dofca = date of first committee action

doo/a = distributions occurring on or after

dopa =disposition of property after

dpoio/a = damages paid or incurred on or after

eara = education awards received after

ebtoo/a = excess benefit transactions occurring on or after

eoo/a = exchanges occurring on or after

fceio/a = forward contracts entered into on or after

fiotr = final issuance of Treasury regulations

ieo/a = individuals expatriating on or after

isteia = income-stripping transactions entered into after

iodpoa = interest or dividends paid or accrued more than

ipogela = interest paid on qualified education loans after

latoo/a = liquidations and terminations occurring on or after

lca = loan cancellations after

leia = leases entered into after

Ima = loans made after

lyba = limitation years beginning after

mba = months beginning after

mf = mutual funds

oao/a = obligations acquired on or after

pao/a = payments accrued on or after

patea = plan amendments taking effect after

pma = payments made after

poa = purchases occurring after

pyba = plan years beginning after

qima = qualified investments made after

gtarepo/a = qualified tuition and related expenses paid on or after

RaFca = RFMICs and FASITs created after

rfi - returns filed in

rocoslra = repayments or cancellations of student

loans received after

sa = sales after

Sa = service after

sbpa = signing bonuses paid after

seio/a = straddles entered into on or after

soproa = sales of principal residences occurring after

spri = severance pay received in

Ta = transactions after

ta = transfers after

teia = transactions entered into after

teio/a = transactions entered into on or after

tita = transfers in trust after

tma = transfers made after

toa = transactions occurring after

to/a = transfers on or after

too/a = transactions occurring on or after

Too/a = transfers occurring on or after

tsio/a = tracking stock issued on or after

ttta = transfers to trusts after

tyba = taxable years beginning after

tybo/a = taxable years beginning on or after

tyea = taxable years ending after

wpa = wages paid after

yba = years beginning after

30da = 30 days after

- [1] The exclusion would be reinstated for graduate education, effective for courses beginning after 7/1/00, and before 1/1/02.
- [2] Loss of less than \$500,000.
- [3] Estimate prepared by the Congressional Budget Office and the Joint Committee on Taxation.
- [4] The proposal would be effective for taxable years beginning after 12/31/00. The special foundation rule would apply to grants and loans made prior to 1/1/09 for initial operating expenses incurred prior to 1/1/11. The credit would be available only for health plans established before 1/1/09. No carrybacks of the credit would be allowed to taxable years beginning before 1/1/01.
- [5] Effective for sales of qualifying vaccines with respect to which a credit allocation has been made after 12/31/01.
- [6] Effective for taxable years beginning after 12/31/00 AGI to receive maximum credit rate increased to \$30,000; effective for taxable years beginning after 12/31/01 maximum amount of allowable expenses and starting point of phase-out range indexed for inflation after 2001; effective for taxable years beginning after 12/31/02 maximum credit rate increased to 40%, credit made refundable; and effective for taxable years beginning after 12/31/04 - maximum credit rate increased to 50%.
- [7] Effective for plans established after 12/31/98 and before 1/1/10. Credit available beginning in taxable year in which date of enactment occurs.
- [8] Estimate provided by the Congressional Budget Office.
- [9] Effective for distributions made after 12/31/01; not applicable prior to 1/1/03 for distributions from plans sponsored by small employers.
- [10] Estimate does not include outlay effects.
- [11] Gain of less than \$500,000.
- [12] 20-percent credit for purchases after 12/31/00, and before 1/1/05.
- [13] \$1,000 credit for new homes that reduce energy use by at least 30% compared to IECC standard and purchased after 12/31/00 and before 1/1/04; \$2,000 credit for new homes that reduce energy use by at least 50% compared to IECC standard and purchased after 12/31/00 and before 1/1/06.

[Footnotes for JCX-20-00 continued on the following page]

Provision Effective 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2000-05 2000-10
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Footnotes for JCX-20-00 continued:

- [14] A credit, of up to \$3,000, would be available for purchases of qualified hybrid vehicles after 12/31/02, and before 1/1/07. The credit would be: (a) \$500 if the rechargeable energy storage system provides at least 5 percent but less than 10 percent of the maximum available power; (b) \$1,000 if the rechargeable energy storage system provides at least 10 percent and less than 20 percent of the maximum available power; (c) \$1,500 if the rechargeable energy storage system provides at least 20 percent and less than 30 percent of the maximum available power; and (d) \$2,000 if the rechargeable energy storage system provides 30 percent or more of the maximum available power. If the vehicle actively employs a regenerative braking system, the amount of the credit shown in (a) through (d) above would be increased by the following amounts: (i) \$250 if the regenerative braking system supplies at least 20 percent but less than 40 percent of the energy available from braking in a typical 60 miles per hour (mph) to 0 mph braking event to the rechargeable energy storage system; (ii) \$500 if the regenerative braking system supplies at least 40 percent but less than 60 percent of such energy; and (iii) \$1,000 if the regenerative braking system supplies 60 percent or more of such energy.
- [15] The present-law credit for electricity produced from wind and closed-loop biomass would be extended to facilities placed in service before 7/1/04 for wind and closed-loop biomass. Non-closed loop biomass facilities generally placed in service after 12/31/00 and before 1/1/06 would be eligible for the credit. Biomass facilities that were placed in service prior to 1/1/00 would also be eligible for the credit but at a reduced rate of 1.0 cent per kilowatt hour for electricity produced from 1/1/01 through 12/31/03. Electricity produced from plants that co-fire biomass and coal would be eligible for the credit at rate of 0.5 cents per kilowatt hour, adjusted for inflation after 2000, from 1/1/01 through 12/31/05. Facilities that produce electricity from landfill methane would be eligible for the credit if the facility is placed in service after 12/31/00at a rate of 1.5 cents per kilowatt hour for facilities not subject to EPA's 1996 New Source Performance Standards ("NSPS") and at a rate of 1.0 cents per kilowatt hour for facilities that are subject to NSPS guidelines. Both credit rates for electricity produced from landfill gas would be adjusted for inflation after 2000.
- [16] Effective for solar water heating equipment placed in service after 12/31/00 and before 1/1/06; effective for photovoltaic equipment placed in service after 12/31/00 and before 1/1/08.
- [17] Negligible revenue effect.
- [18] Effective the date of enactment of the President's Comprehensive Electricity Competition Plan.
- [19] Tax provisions are contingent on the enactment of the Comprehensive Electricity Competition Plan, which has not been enacted and is not part of the President's Budget.
- [20] The estimate assumes clarifications of the proposal, e.g., a definition of severance pay.
- [21] The estimate for the five tax shelter provisions with general application is presented after taking into account estimated interactions with the specific tax shelter provisions included elsewhere in the President's Fiscal Year 2001 Budget proposal.
- [22] Gain of less than \$5 million.
- [23] Effective for taxable years beginning after the date of enactment with respect to obligations acquired on or after the date of first committee action.
- [24] Generally effective for start-up and organizational expenditures incurred after the date of enactment .
- [25] Effective taxable years beginning after the date of enactment with respect to investments acquired on or after the date of first committee action.
- [26] Effective for sales or assignments of interests in life insurance policies and payments of death benefits after the date of enactment.
- [27] The proposal related to foreign companies generally would be effective for the first taxable year after the date of enactment. In the case of a foreign corporation formed before the date of first committee action, the proposal would be effective for the second taxable year after the date of enactment. The remainder of the proposal would be effective for taxable years beginning after the date of enactment.
- [28] Effective for any return the due date for which is after the date of enactment.
- [29] Effective for transfers after the date of enactment in the case of lifetime gifts, and decedents dying after the date of enactment in the case of transfers at death.
- [30] Effective for payments made after the beginning of the first month that begins at least 10 days after the date of enactment.
- [31] Effective for returns the due date for which (without regard to extensions) is more than 90 days after the date of enactment of the proposal.
- [32] The estimate reflects revenues from the proposal, net of an income tax offset. Gross receipts (i.e., receipts without regard to the income tax offset) from this excise tax are deposited in the Highway Trust Fund. Budget rules applicable to the Highway Trust Fund guarantee expenditure of all monies received by that Trust Fund. Thus, Highway Trust Fund spending automatically would increase by an amount equal to the gross receipts from this proposal.
- [33] Information reporting effective for payments made after the date of enactment, and tax benefits restricted in taxable years beginning after the date of enactment.
- [34] Effective for property that ceases to be used in, or attributable to, a U.S. trade or business after the date of enactment.
- [35] Estimate is tentative and will be adjusted as the details of the proposal are further developed.
- [36] The corporate environmental income tax would be reinstated for taxable years beginning after 12/31/99, and before 1/1/11.
- [37] The three Superfund excise taxes would be reinstated for the period after the date of enactment and before 10/1/10.
- [38] Table shows the net effects of replacing a portion of the excise taxes with user fees. Estimate was provided by the Department of the Treasury. The President's budget proposal did not provide details regarding the proposed user fees.
- [39] Youth Smoking assessment provided by the Congressional Budget Office.
- [40] Table shows the effects of the proposal on Federal revenues. The President's budget proposal did not provide details regarding the proposed user fee.
- [41] Effective for rum imported into the United States after 6/30/99, and before 10/1/00.